

Maine School Administrative District No. 22

24 Main Road North • Hampden, Maine 04444 • Phone (207) 862-3255 • Fax (207) 862-2789

June 16, 2008

RICHARD A. LYONS
Superintendent of Schools

REC'D JUN 18 2008

EMIL P. GENEST
Assistant Superintendent
for Business

Ms. Jennifer G. Pooler
Maine Department of Education
23 State House Station
Augusta, ME 04333-0023

Dear Jennifer:

Your points requiring my attention and noted in your email are:

You note the FY08 budget versus the FY09 budgeted amount being an increase of approximately \$393,000, and more information on how the district has made reductions in district faculty and initiated hiring practices on a regional basis for certain services and how it relates to this increase.

Responses:

We have reduced a full time teaching position at the elementary level to half time. Also, at the middle level, we have reduced an Educational Technician position from full time to half time.

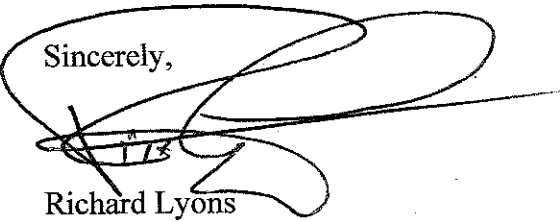
Additionally, given the uncertainty of Medicaid reimbursement and local entitlement not at an appropriate level, the FY09 budget has now incorporated 3 new teaching positions and 4 educational technicians that in past years were financially supported by funds supplemental to the SAD #22 general fund budget. These seven realignments added to the FY 09 budget an increase of \$259,290.42.

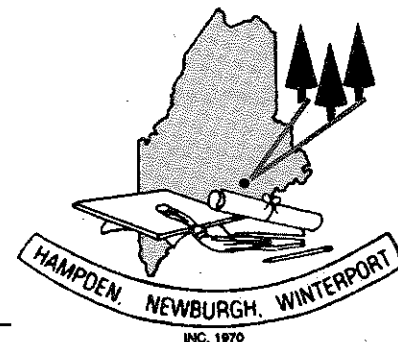
For FY09, we have incorporated four cooperative hires through the Penobscot River Educational Partnership consortium. Two psychological service providers and two speech therapists are now cooperative hires.

It also is noteworthy to inform you that we have seen an increase in the number of students identified with autism from 19 to 48 within the past five years. We now have four students who are deaf or hearing impaired, and 24 students who have multiple handicaps. We currently have 429 students identified or needing special education services in SAD #22.

Jennifer, I trust the aforementioned provides the necessary details. Please contact me with further questions.

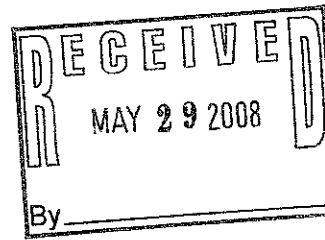
Sincerely,


Richard Lyons
Superintendent



Maine School Administrative District No. 22

24 Main Road North • Hampden, Maine 04444 • Phone (207) 862-3255 • Fax (207) 862-2789



RICHARD A. LYONS
Superintendent of Schools

EMIL P. GENEST
Assistant Superintendent
for Business

May 28, 2008

Susan Gendron, Commissioner
Department of Education
State House Station
Augusta, ME 04333

Dear Commissioner Gendron:

Please find enclosed our district's alternative plan documents.

If you desire further information, or have specific questions, please do not hesitate to contact me.

Take Care!

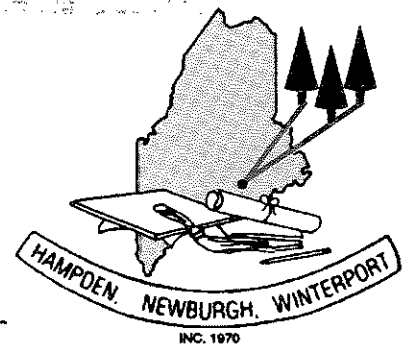
Sincerely,

A handwritten signature in black ink, appearing to read "Rick", enclosed within a large, loopy oval.

Richard A. Lyons
Superintendent of Schools

jb

Enc.



ALTERNATIVE PLAN SUBMITTAL SHEET

School Administrative Unit Submitting Alternative Plan:

- MSAD#22

Contact Information:

Name: Richard A Lyons
Address: 24 Main Road North
Hampden, ME 04444

Telephone: 207-862-3255
email: rl Lyons@sad22.us

Date Plan Submitted by SAU: May 27, 2008

The intent to submit an alternative plan has been approved by the Commissioner in the approval of the Notice of Intent?

☒ YES

☐ NO

(If NO, please explain.)

Alternative Plan Cover Sheet

(Please attach Alternative Plan as Exhibit A)

Plan Requirements				
Item	Complete	In Progress	Not Yet Started	Need Assistance ¹
Plan addresses how the SAU will reorganize administrative functions, duties and noninstructional personnel so that projected expenditures of RSU in fiscal 2008-2009 for the following areas will not have an adverse impact on the instructional program.				
system administration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
special education	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
facilities and maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plan addresses how cost savings will be achieved in fiscal 2008-2009 for the above four areas.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parameters for Plan Development				
Enrollment meets requirements (2,500 except where circumstances justify an exception)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Includes at least one publicly supported high school	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consistent with policies set forth in section 1451	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No displacement of teachers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No displacement of students	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collaborative Agreements				
		Yes	No	
Does your plan currently include information/documentation on collaborative agreements? <i>(not required, but encouraged)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	

¹ Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on the next page.

Actual number of students for which the SAU is fiscally responsible: 2185

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit B)	
		Yes	No
Geography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demographics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Population Density	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Unique Circumstances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Assistance Needs –

Please use this section to describe your needs for assistance and from whom you need assistance.

[illegible]

Alternative Plan

M.S.A.D. #22

October 4, 2007 MSAD#22 was notified that the school system met the alternative plan requirement of a unit that is designated as an efficient, high-performing district.

The following sections illustrate how we have explored the reduction of expenditures in system administration, transportation, special education, and building and maintenance. The intent is to continue assessing projected expenditures in order to enhance efficiencies, while not having an adverse impact on educational programming.

		FY09	FY08	FY08	
	FY08	Projected	100% EPS	Over/(Under)	Reduction
Category	Budget	Budget	Amount	EPS	Needed
System Administration	\$654,540.81	\$587,042.00	\$856,456.00	-\$201,915.19	\$428,228.00
Transportation	\$877,554.00	\$959,110.31	\$759,467.00	\$118,087.00	\$37,973.35
Building & Maintenance	\$2,619,875.00	\$2,467,767.44	\$2,433,986.00	\$185,889.00	\$121,699.30
Special Education	\$3,645,454.00	\$4,038,194.00	\$2,701,572.00	\$943,882.00	\$135,078.60

System Administration

	FY09	FY08	FY08	
FY08	Projected	100% EPS	Over/(Under)	Reduction
Budget	Budget	Amount	EPS	Needed
\$654,540.81	\$587,042.00	\$856,456.00	-\$201,915.19	\$428,228.00

Our system is currently below Essential Programs and Services Program (EPS) by \$201,915.19. However, we have incorporated a reduction of .5 F.T.E. (Full Time Equivalent) in clerical services in the superintendent's office.

The Penobscot River Educational Partnership (PREP), a consortium of eight school districts and the University of Maine Colleges of Education and Human Development and Business and Public Policy, has implemented joint efforts. Even though the expenses are not in this budget category, SAD#22 and Orono School Department have moved from two adult education directors to one. We also are exploring joint Food Service Directors. It is anticipated system administration expenses can be addressed as successes grow from the aforementioned consolidated efforts.

We are anticipating this fall to do the payroll for United Technologies Center in Bangor, our regional vocational center. In addition, we are exploring the outsourcing of district payroll services. We have met with potential clients and are awaiting a proposal.

Other than the aforementioned, at this time there are no further reductions planned for there would indeed be an adverse impact on the system. Additionally, with the 403(B) provision becoming a responsibility of school districts in January, 2009, savings will be mitigated because of increased responsibilities in this area.

Transportation

		FY09	FY08	FY08	
	FY08	Projected	100% EPS	Over/(Under)	Reduction
Category	Budget	Budget	Amount	EPS	Needed
Transportation	\$877,554.00	\$959,110.31	\$759,467.00	\$118,087.00	\$37,973.35

The current status of significant increase in diesel costs will make it nearly impossible to make any savings in this area. All our buses operate on diesel and any reductions of significance to offset increases in fuel costs would certainly have an adverse impact on programming.

However, fifty percent (50%) of costs for field trips in the general fund have been eliminated. There has been instituted a maximum mileage range for interscholastic scrimmages.

The district will utilize any software to enhance school bus routes.

In summary, as the market continues to display unprecedented increase costs for crude oil, savings in this area are not realistic at this time. (Exhibit fuel analysis)

Building and Maintenance

		FY09	FY08	FY08	
	FY08	Projected	100% EPS	Over/(Under)	Reduction
Category	Budget	Budget	Amount	EPS	Needed
Building & Maintenance	\$2,619,875.00	\$2,467,767.44	\$2,433,986.00	\$185,889.00	\$121,699.30

The district is currently integrating recommendations from a five-year facilities maintenance plan. We have reduced personnel based on our five-year plan.

We continue to work with the Penobscot County Sheriff's department, participating in "OUI" weekend. By utilizing this community service work force, work is done that otherwise would have to be borne by the general fund budget. The annual savings can be approximated at \$20,000.

The district continues to be a recipient of State Revolving Renovation Funds. These funds supplant district costs and drastically reduce district costs in this area.

The reality of any savings in this area will definitely be offset with significant increases in costs associated with #2 heating oil for the district's seven facilities. We burn approximately 168,627 gallons per year, with an increase of \$1.245 per gallon, this in itself reflects an increase of \$209,940.62? (Exhibit fuel analysis)

We are exploring accessing the methane gas from the Hampden land fill, scheduled for closure on December 31, 2008. This will drastically reduce electrical costs.

The Environthon Club at Hampden Academy is implementing recycling initiatives.

We will continue to explore ways to expand upon bulk purchasing thru the SAD#36 best bid process.

Fuel Analysis - FY08 & FY09

4/30/2008

	usage (gallons)	FY08 budgeted rate	FY08 budgeted total	FY09 original projection rate	FY09 original projection total	FY09 amended projection rate	FY09 amended projection total
Diesel	64,636	2.16	139,750.00	3.02	195,200.00	3.34	215,600.00
Heating Oil:	168,627	2.10	354,643.00	2.85	480,586.95	3.35	564,586.95
			494,393.01		675,786.95		780,186.94
					181,393.94		104,400.00

285,793.94 total increase FY08 to FY09
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Special Education

		FY09	FY08	FY08	
	FY08	Projected	100% EPS	Over/(Under)	Reduction
Category	Budget	Budget	Amount	EPS	Needed
Special Education	\$3,645,454.00	\$4,038,194.00	\$2,701,572.00	\$943,882.00	\$135,078.60

The Southern Penobscot Regional Program for Children with Exceptionalities (SPRPCE) has a long tradition of regional programming. We are exploring future programming, specifically in the area of autism. This will hopefully contain costs, as compared to each district doing their own programming.

The Penobscot River Educational Partnership (PREP) has initiated hiring practices on a regional basis for speech therapists, psychological examiners, and school psychologists. We have seen cost containment and savings. Again, the economy of scale is advantageous in this regional concept.

We have reduced district faculty commensurate with an enrollment decline.

The pending loss or reduction of funding in state agency client funds, local entitlement, and medicaid will certainly mitigate any savings.

Summary

The district continues to be aggressive in accessing practices, personnel, and programming. However, given fixed costs associated with personnel salary and benefits, and unprecedented increase of costs in fuel and utilities, it will be difficult to make reductions without having an adverse impact on programming.

That being said, we embrace innovation and regionalization to contain costs in the four areas of this report, as well as other functions with the school district's budget.

December 14, 2007

Richard Lyons, Superintendent
MSAD 22
24 Main Road North
Hampden, ME 04444

Dear Superintendent Lyons:

Thank you for the Alternative Plan that you submitted on behalf of MSAD 22 on November 30, 2007 for Department review for compliance with the school reorganization law, P.L. 2007, chapter 240, Part XXXX.

I recognize how much time, effort and thoughtful work is required to complete an alternative plan and appreciate the efforts made, to date, by all those involved.

Members of my staff and I have reviewed the submission and offer the comments and notes listed below to assist you in completing the plan. If you make any substantive change(s) to any part of the plan beyond those listed below, please be sure to note those on the Updated Alternative Plan Cover Sheet Checklist, along with notation of those items that have changed per the notes contained in this response.

General Documentation (Submittal Sheet)

- All information submitted as required.
- The actual number of students for which the proposed RSU was fiscally responsible as of October 1, 2006 was 2,222. I am making you aware of this as this is the enrollment number that will be used in determining Essential Programs and Services funding.

Checklist/Plan Text Items

Items Checked "In Progress" or "Not Yet Started"

With respect to the items you checked as “in progress” or “not yet started”, we are unable to complete our review until the additional information is provided. However, based on our preliminary review we would ask you to please note the following:

** Required Items*

Each alternative plan must provide projected expenditures in FY 2008-2009 for system administration, transportation, special education, and facilities and maintenance in accordance with P.L. 2007, chapter 240, Part XXXX-36(6)(F).

Please provide these projected expenditures; and please consider using the guidance offered in the Drummond Woodsum workshop materials.

In Exhibit A, we have included a comparison of (A) the 2007-08 EPS allocations for the four categories of system administration, transportation, special education, and facilities and maintenance and (B) your unit’s 2007-08 budget information (if available) for these four categories. Also included are estimated 2008-09 EPS allocations for system administration, transportation, and facilities and maintenance. I encourage you to review this information. NOTE: If the 2007-08 budget information is missing then it is likely that your unit has not submitted this information to the MEDMS Financial System; please see Administrative Letter # 20, dated 2/13/2007 for instructions.

Please address the requirement in P.L. 2007, chapter 240, Part XXXX-36(6)(F) that “. . . the projected expenditures in FY 2008-2009 for system administration, transportation, special education, and facilities and maintenance will not have an adverse impact on the instructional program” by providing an assurance to that effect. Note: We will confirm this assurance against the information that was required to be submitted to the MEDMS Financial System in August, 2007.

A model for budgeting for system administration is available at www.maine.gov/education/supportingschools/planning.html.

The Department of Education will be issuing an RFP to procure routing software to be available statewide. It is the Department’s intent to issue the RFP early in 2008 and have a contract signed with a vendor as soon thereafter as possible so that the software will be available to RSUs and municipalities as soon as possible. SAUs may begin to work with the system in FY 2008-2009 but will not be able to budget any cost savings until FY 2009-2010.

We will review all items on the checklist again, upon your completion of the plan.

** Parameters*

B. Please clarify.

D. Please clarify.

SUBMISSION OF REVISIONS:

Please provide the additional materials to complete your plan by February 1, 2008. Please include:

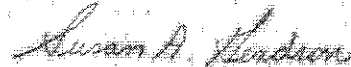
- Any additional data required
- An updated Submittal Page
- An updated Cover Sheet Checklist
- A copy of this Response from the Commissioner.

I will respond no more than 14 days after the revisions/additional materials are refiled with the Department. As you are the contact person identified on the Submittal Sheet, this response is addressed to you but with the understanding that you will share it with your school administrative unit board members.

Finally, what I am reviewing for approval is a plan (or a submission, if the plan is incomplete) which is by its very nature prospective, with steps yet to be taken or finalized; and any review comments or approval given are in relation to the elements required under P.L. 2007, chapter 240, Part XXXX but not the legality of all the activities proposed. Thus, I strongly recommend that you have your own legal advisor(s) review the details of any particular transaction proposed in your plan (particularly with respect to the disposition of property, to debt, and to employee contracts/relations) as you proceed, to ensure the legality of the steps you'll be taking to implement the plan. If that review leads to any substantive changes in any parts of your plan, please be sure to submit an amended plan to the Department for our review and our file.

Again, my sincere thanks for your efforts.

Sincerely,



Susan A. Gendron
Commissioner of Education

Enc.

MSAD #22 School Department for FY '08

<u>Resident Pupils</u>	<u>K - 8</u>	<u>9 - 12</u>	<u>Total</u>
Apr 2004	1502	789	2291
Oct 2004	1458	812	2270
Apr 2005	1476	783	2259
Oct 2005	1477	776	2253
Apr 2006	1475	781	2256
Oct 2006	1465	757	2222
2006 Avg	1470	769	2239
Total Avg	1475.5	783	2258.5

	<u>K - 8</u>	<u>9 - 12</u>	<u>Total</u>
Basic	1470	769	2239
Declining Enrollment	5.5	14	19.5
Adult Ed	0	0	0
Equiv Instruction	0	2.125	2.125

Weighted Counts

Disadvantaged:	56.895	29.76	86.655
LEP	1.5	0.5	2

Targeted Funds

K - 2 Pupils	43.2	43.2
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Total Pupils	1577.095	815.385	2392.48
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System Admin Allowance	359	356
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System Admin EPS Allocation	\$ 566,177.11	\$ 290,277.06	\$ 856,454.17
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Op & Maint Allowance	956	1136
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Op & Maint EPS Allocation	\$ 1,507,702.82	\$ 926,277.36	\$ 2,433,980.18
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The difference is that we rounded the enrollment up.

MSAD #22 School Department for FY '09

<u>Resident Pupils</u>	<u>K - 8</u>	<u>9 - 12</u>	<u>Total</u>
Apr 2005	1476	783	2259
Oct 2005	1477	776	2253
Apr 2006	1475	781	2256
Oct 2006	1465	757	2222
Apr 2007	1458	736	2194
Oct 2007	1428	746	2174
2006 Avg	1443	741	2184
Total Avg	1463.166667	763.166667	2226.333333

	<u>K - 8</u>	<u>9 - 12</u>	<u>Total</u>
Basic	1443	741	2184
Declining Enrollment	20.16	22.16	42.32
Adult Ed	0	0	0
Equiv Instruction	1.75	0	1.75

Weighted Counts			
Disadvantaged:	47.145	24.21	71.355
LEP	0	0	0

Targeted Funds			
K - 2 Pupils	43.55		43.55

Total Pupils	1555.605	787.37	2342.975
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System Admin Allowance	204	204	
System Admin EPS Allocation	\$ 317,343.42	\$ 160,623.48	\$ 477,966.90
Op & Maint Allowance	935	1111	
Op & Maint EPS Allocation	\$ 1,454,490.68	\$ 874,768.07	\$ 2,329,258.75

The difference is that we rounded the enrollment up.

MSAD #22

<u>Category</u>	<u>Budget</u>		<u>\$</u>	<u>%</u>	<u>FY 08</u>	<u>Amount</u>	<u>FY 09</u>	<u>Amount</u>
	<u>FY 08</u>	<u>FY 09</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Increase</u> <u>(Decrease)</u>	<u>100%</u> <u>EPS</u>	<u>Over (Under)</u> <u>EPS</u>	<u>100%</u> <u>EPS</u>	<u>Over (Under)</u> <u>EPS</u>
System Administration	654,541	587,042	(67,499)	-10.31%	856,456	(201,915)	477,967	109,075
Transportation	877,554	959,110	81,556	9.29%	759,467	118,087	757,729	201,382
Bldg & Maintenance	2,619,875	2,467,767	(152,108)	-5.81%	2,433,981	185,894	2,329,259	138,509
Special Education	3,645,454	4,038,194	392,740	10.77%	2,724,931	920,523	2,808,869	1,229,325
FY 09								
Budget								
<u>Category</u>	<u>Budget</u> <u>FY 08</u>	<u>5%</u> <u>Savings</u>	<u>for</u> <u>5%</u> <u>Savings</u>	<u>Actual</u> <u>Budget</u> <u>FY 09</u>	<u>Amount</u> <u>Over (Under)</u> <u>Savings</u>			
System Administration	654,541	32,727	621,814	587,042	(34,772)			
Transportation	877,554	43,878	833,676	959,110	125,434			
Bldg & Maintenance	2,619,875	130,994	2,488,881	2,467,767	(21,114)			
Special Education	3,645,454	182,273	3,463,181	4,038,194	575,013			

Rick

In regards to Special Education, the amount budgeted for FY08 and the projected budget amount for FY09 show an increase of approximately \$393,000. Would you please provide more information regarding how you have made reductions in district faculty and initiated hiring practices on a regional basis for certain services and how it relates to this increase?

We look forward to your response.

Regards,

Jennifer

Jennifer G. Pooler[Marker]

Maine Department of Education